
Commonwealth

British protecting drug-money flows

by Renée Sigerson

In Cambridge, England this month, what was described by observers as a "highly secretive" gathering occurred, involving British Commonwealth officials assigned to review the scope of organized crime operations in former British dependencies. From excerpts available so far, the Commonwealth Secretariat "anti-fraud task force" reported in print: "Many small countries, whose national budgets would be pocket money to the international criminal, unwittingly play host to organized crime by allowing it to deposit money in their banks. Such countries easily become operational centers for the criminals and ultimately their governments and national economies are taken hostage by a nameless force whose money is backed by drugs, guns, and an ever-widening circle of corruption and manipulation."

The meeting occurred a few months after U.S. officials had visited London to solicit support from the British Foreign and Commonwealth Office in cracking down on the estimated \$20 to \$80 billion drug-money laundering system which operates unabated in former British dependencies in the eastern Caribbean. During those interviews, British officials flatly refused any such cooperation, asserting that the drug problem is an internal American affair.

Asked to comment on accounts of the Commonwealth event, U.S. specialists on drug enforcement reported that this was the first time to their knowledge that British officials—albeit Commonwealth, not Foreign Office officials—had ever admitted that drug-based crime posed a serious political problem in British territories.

The international narcotics trade is run, from the top, by an interlocking network of high-level, secret masonic organizations, which wind through British, Canadian, Swiss, and Mediterranean banks. Leading and secondary U.S. banks facilitate this trade—whose U.S. component is \$150-\$200 billion per year—playing the role of captive couriers for the foreign masterminds of crime at the top.

In connection with a broad crackdown on financial fraud, launched by the U.S. executive branch in 1982, large amounts of new evidence are being compiled by U.S. investigatory groups on how this high-level criminality has served to undermine the United States. In London, Switzerland, and oth-

er money centers, these investigations are being viewed with utmost concern.

The IMF's role

Evidence now being made public by U.S. agencies indicates that the control level for protecting the world drug trade also extends to international financial agencies largely supported by the U.S. taxpayer. Chief among these agencies is the International Monetary Fund (IMF), which is now asking the United States for an increased \$12 billion contribution.

The information coming to light shows that the IMF has been "in bed" with the British, in particular, in protecting the drug trade since at least the late 1960s. The IMF has acted as a vehicle for the British in making the British application of common law to the drug problem the controlling practice in the entire international financial community.

In Great Britain, narcotics consumption is legal; only marketing of drugs is a criminal offense. Additionally, British law argues that offshore banking havens which launder drug-money flows should be allowed to do so, on the grounds that the "cost" of attempting to apply enforcement proceedings in offshore banking centers is outweighed by the "benefits" of allowing offshore banking to continue unhindered.

The International Monetary Fund adheres, officially, to the British concept of law applied to drug offenses. Officials at the IMF's sister organization, the World Bank, have repeatedly justified the right of Third World countries to market narcotics, on the grounds that such commerce facilitates debt repayment. The IMF itself has a division which specializes in designing and authoring offshore banking regulation, for underdeveloped countries which have been convinced that getting a "cut" on the massive international crime game will help them earn revenues. The United States, IMF officials have argued in print, cannot object to such practices, since the "benefits" to offshore haven countries which facilitate illegal money-laundering are as valid as the "cost" to the United States of having a drug problem. The division of the IMF which works with offshore banking havens is the Central Banking Department.

The British-IMF complicity on the drug money question dates back to the period when Britain began releasing its Caribbean dependent territories for "independence." Prior to independence, the currency authorities in these islands had been under the control of the Bank of England. As the drug trade began flourishing in the Vietnam War period, it was necessary for the Bank of England to "distance" itself from its increasingly dirty progeny. A series of negotiations was held between the Bank of England and the IMF, whose outcome was an IMF-sanctioned \$20 to \$80 billion annual pass-through via these territories of drug funds raised in the United States. Informed sources report that throughout these negotiations, the presence of organized crime groups was frequently discussed, and the evaluation was reached that nothing should be done about the problem.